

SENATE BILL 2695

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 6,
Chapter 51 and Title 7, Chapter 3, relative to
private garbage and rubbish collection services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 6, Chapter 51, Part 1, is amended by
adding the following language as a new, appropriately designated section:

Section 6-51-1__.

(a) Notwithstanding any other law to the contrary, no annexing
municipality shall provide garbage and rubbish collection services to residents in
an annexed territory for a period of five (5) years from the date the territory was
annexed unless:

(1) The municipality compensates every private garbage and
rubbish collector that served at least five percent (5%) of the residents of
the annexed area in the two (2) years immediately prior to the date of
annexation in an amount equal to twenty-four (24) times the average
gross monthly revenue that the private garbage or rubbish collector
derived from the annexed area during the three (3) months immediately
preceding the date when such annexation became effective; or

(2) The municipality offers to contract with each private garbage
and rubbish collector that served at least five percent (5%) of the
residents of the annexed area for a period of at least two (2) years
immediately prior to the date of annexation to continue to provide garbage
and rubbish collection services in the annexed area on behalf of the

municipality for a period of at least five (5) years from the date the territory was annexed. Any such offer to contract shall be made in good faith and shall include the following terms:

(A) The garbage and rubbish collector shall continue to serve as many residents as it served on the date of annexation;

(B) The garbage and rubbish collector shall perform collection services of a substantially similar nature to those performed by such collector in the annexed area prior to annexation;

(C) The rate paid by the municipality to the garbage and rubbish collector in the first year of the contract shall not be less than ninety-five percent (95%) of the average of rates paid for garbage and rubbish collection services in the annexed area in the year prior to the date of annexation; and

(D) The rate paid by the municipality in each subsequent year of the contract shall increase by a percentage not less than the consumer price index for the previous year.

(b) Nothing contained in this section shall be construed as preventing a municipality from entering into a mutual agreement for the provision of garbage and rubbish collection services to the annexed area with all of the private garbage and rubbish collectors that served at least five percent (5%) of the residents of the annexed area for a period of at least two (2) years immediately prior to the date of annexation.

(c) The provisions of this section shall not apply to any annexed area in which there are no private garbage and rubbish collectors that have served at

least five percent (5%) of the residents of the annexed area in the two (2) years immediately prior to the date of annexation.

SECTION 2. Tennessee Code Annotated, Section 6-51-111(a), is amended by deleting the period at the end thereof and substituting instead the language:

and private garbage and rubbish collectors.

SECTION 3. Tennessee Code Annotated, Title 7, Chapter 3, is amended by adding the following language as a new part thereto:

§ 7-3-601.

(a) Notwithstanding any other law to the contrary, no metropolitan government created and established pursuant to chapters 1, 2, and 3 of this title shall provide garbage and rubbish collection services within any geographical territory not served by a municipal government or special sanitation district for a period of five (5) years from the date the metropolitan government was created and established unless:

(1) The metropolitan government compensates every private garbage and rubbish collector that served at least five percent (5%) of the residents not served by a municipal government or special sanitation district in the two (2) years immediately prior to the date of the metropolitan government's creation and establishment in an amount equal to twenty-four (24) times the average gross monthly revenue that the private garbage or rubbish collector derived from the geographical territory not served by a municipal government or special sanitation district during the three (3) months immediately preceding the date when such metropolitan government was created and established; or

(2) The metropolitan government offers to contract with each private garbage and rubbish collector that served at least five percent (5%) of the residents not served by a municipal government or special sanitation district for a

period of at least two (2) years immediately prior to the date of the metropolitan government's creation and establishment to continue to provide garbage and rubbish collection services in the geographical territory not served by a municipal government or special sanitation district on behalf of the newly formed metropolitan government for a period of at least five (5) years. Any such offer to contract shall be made in good faith and shall include the following terms:

(A) The garbage and rubbish collector shall continue to serve as many residents as it did on the date the metropolitan government was created and established;

(B) The garbage and rubbish collector shall perform collection services of a substantially similar nature to those performed by such collector in the geographical territory not served by a municipal government or special sanitation district prior to the metropolitan government's creation and establishment;

(C) The rate paid by the metropolitan government to the garbage and rubbish collector in the first year of the contract shall not be less than ninety-five percent (95%) of the average of rates paid for garbage and rubbish collection services in the geographical territory not served by a municipal government or special sanitation district in the year prior to the date the metropolitan government was created and established; and

(D) The rate paid by the metropolitan government in each subsequent year of the contract shall increase by a percentage not less than the consumer price index for the previous year.

(b) Nothing contained in this section shall be construed as preventing a metropolitan government from entering into a mutual agreement for the provision

of garbage and rubbish collection services to the geographical territory not served by a municipal government or special sanitation district with all of the private garbage and rubbish collectors that had served at least five percent (5%) of the residents not served by a municipal government or special sanitation district for a period of at least two (2) years immediately prior to the date of the metropolitan government's creation and establishment.

(c) The provisions of this section shall not apply to any general services district in which there are no private garbage and rubbish collectors that have served at least five percent (5%) of the residents not served by a municipal government or special sanitation district in the two (2) years immediately prior to the date of the metropolitan government's creation and establishment.

(d) The provisions of this section shall not apply to any metropolitan government created and established prior to July 1, 2010.

SECTION 4. This act shall take effect upon becoming law, the public welfare requiring it.